

For: State and County Offices**Livestock Assistance Program (LAP) Payment Reduction Exception Report****Approved by:** Deputy Administrator, Farm Programs

1 Overview**A Background**

4-DAP, Part 4 provides that an applicant's LAP payment will be reduced by the amount(s) the applicant received under the 2002 Cattle Feed Program (CFP), Livestock Compensation Program-I (LCP-I), and Livestock Compensation Program-II (LCP-II), regardless of whether the LAP payment is for 2001 or 2002.

The LAP software displays the CFP, LCP-I, and LCP-II amounts received by the applicant from the County Office in which the applicant is completing the LAP application. The LAP application software does **not** display CFP, LCP-I, and LCP-II amounts received by an individual from any other County Office.

A LAP payment reduction mismatch report was developed that compares a LAP applicant's CFP, LFP-I, and LFP-II reduction amount(s) recorded on the applicant's LAP application to that applicant's amount of CFP, LFP-I, and LFP-II amounts provided for tax purposes. Notice DAP-182 provides State and County Offices with procedure and instructions for using the LAP payment reduction mismatch report to ensure that a LAP applicant's CFP, LFP-I, and LFP-II reduction amount(s) match the amount(s) received by the applicant.

The LAP payment reduction mismatch report:

- identifies only LAP applications in which the CFP, LFP-I, and LFP-II reductions do not match the CFP, LFP-I, and LFP-II amounts provided to the applicant for tax purposes
- does **not** identify situations where **all** of the following are met:
 - participant filed a LAP application in more than 1 County Office
 - the total amount of CFP, LCP-I, and LCP-II reductions recorded in a participant's LAP applications equals the applicant's amount of CFP, LFP-I, and LFP-II benefits provided for tax purposes

Disposal Date	Distribution
April 1, 2004	State Offices; State Office relay to County Offices

1 Overview (Continued)

A Background (Continued)

- the CFP, LFP-I, and LFP-II reduction amount on at least 1 LAP application exceeds the projected LAP payment eligible amount for that application
- the projected LAP payment eligible amount on at least 1 LAP application is not being reduced by an amount sufficient to account for all CFP, LFP-I, and LFP-II payments received by the applicant.

A LAP payment reduction exception report has been developed that identifies LAP applications that require an adjustment in the LAP payment reduction amount to ensure that the LAP applicant is not overpaid because of payments received for CFP, LCP-I, and LCP-II.

B Purpose

This notice provides:

- State and County Offices with guidance on using the LAP payment reduction exception report
- an example of the LAP payment reduction exception report (Exhibit 1).

C LAP Payment Reduction Exception Report

The LAP payment reduction exception report provides a list of LAP applicants, in ID number order, by State and county, for which all of the following conditions are met:

- participant filed a LAP application in more than 1 County Office
- the total amount of CFP, LCP-I, and LCP-II reductions recorded in a participant's LAP applications equals the applicant's amount of CFP, LFP-I, and LFP-II benefits provided for tax purposes
- the CFP, LFP-I, and LFP-II reduction amount on at least 1 LAP application exceeds the projected LAP payment eligible amount for that application
- the projected LAP payment eligible amount on at least 1 LAP application is not being reduced by an amount sufficient to account for all CFP, LFP-I, and LFP-II payments received by the applicant.

If no adjustments are made to the LAP application reduction amounts on the participant's LAP applications, the participant will be overpaid on at least 1 LAP application.

D Distribution

PECD will distribute, through e-mail to each applicable State Office, a copy of the LAP payment reduction exception report for each applicable county within the State. The first report is scheduled to be distributed the week of November 10, 2003.

2 Report Description

A Description of Report Information

The following table provides a description of the information provided in each column of the LAP Payment Reduction Exception Report.

Column Title	Description
Producer ID	LAP applicant's ID Number.
Producer Name	LAP applicant's name.
Joint OP ID	ID number of joint operation in which the applicant is a member, and through which the applicant received a CFP, LFP-I, or LFP-II payment. Note: The column will be blank if LAP applicant did not receive a CFP, LCP-I, or LCP-II through a joint operation.
ST/CTY	State and County code in which the LAP applicant received a CFP, LCP-I or LCP-II payment or in which the LAP applicant filed a LAP application, as applicable.
Eligible LAP Amt	The projected LAP payment amount for the LAP applicant before any reductions of CFP, LCP-I, or LCP-II payments.
CFP Amount	Amount of benefits the LAP applicant received for CFP. Amount of CFP benefits deducted from the applicant's LAP application(s).
LCP Amount	Amount of payments the LAP applicant received for LCP-I. Amount of LCP-I payments deducted from the applicant's LAP application(s).
LCP2 Amount	Amount of payments the LAP applicant received for LCP-II. Amount of LCP-II payments deducted from the applicant's LAP application(s).

3 Example

A Example of LAP Payment Reduction Exception Report

Exhibit 1 provides an example of the LAP payment exception report. The following table provides an explanation for each applicant on the example report and how to use the report to adjust LAP applications to ensure that the applicant is not overpaid.

Applicant	Situation	Action
John R Doe	<p>John R Doe received \$2,952 of LCP-I assistance. All was received from Gove County, Kansas.</p> <p>John R Doe filed a 2002 LAP application in Gove County, Kansas with a projected eligible payment amount of \$2,210.90. John R Doe also filed a 2002 LAP application in Sheridan County, Kansas with a projected eligible payment amount of \$866.45.</p> <p>John R Doe's LAP application amount in Gove County was reduced by \$2,952 (amount received for LCP-I in Gove County). John R Doe's LAP application amount in Sheridan County was not reduced for any LCP-I payment.</p> <p>The LCP-I reduction amount in Gove County (\$2,952) exceeded the projected LAP payment amount in Gove County (\$2,210.90) by \$741.10 (2,952.00 - 2,210.90).</p> <p>Therefore, John R Doe's projected LAP payment amount in Sheridan County must be reduced by \$741.10 to ensure that the full LCP-I payment received by John R Doe is reduced from all eligible LAP payment amounts.</p>	<p>Gove and Sheridan County Kansas Offices shall coordinate to ensure that the total amount of LCP-I payments received by John R Doe is reduced from his total projected LAP payments.</p> <p>In this example, Gove County should change the LCP-I reduction amount on John R Doe's LAP application in Gove County to \$2,210.90, and Sheridan County should enter a LCP-I reduction amount of \$741.10 on John R Doe's LAP application in Sheridan County.</p>

3 Example (Continued)

A Example of LAP Paymnt Reduction Exception Report (Continued)

Applicant	Situation	Action
Mary Smith	<p>Mary Smith received \$1,764 for LCP-I from Gove County, Kansas, and \$450 for LCP-I from Logan County, Kansas.</p> <p>Mary Smith filed a 2002 LAP application in Gove County, Kansas with a projected eligible payment amount of \$1,588.50. Mary Smith also filed a 2002 LAP application in Logan County, Kansas with a projected eligible payment amount of \$670.48.</p> <p>Mary Smith's LAP application amount in Gove County was reduced by \$1,764 (amount received for LCP-I in Gove County). Mary Smith's LAP application amount in Logan County was reduced by \$450 (amount received for LCP-I in Logan County).</p> <p>The LCP-I reduction amount in Gove County (\$1,764) exceeded the projected LAP payment amount in Gove County (\$1,588.50) by \$175.50 (1,764.00 - 1,588.50).</p> <p>Therefore, Mary Smith's projected LAP payment amount in Logan County must be reduced by an additional \$175.50 to ensure that the full LCP-I payment received by Mary Smith is reduced from all eligible LAP payment amounts.</p>	<p>Gove and Logan County Kansas Offices shall coordinate to ensure that the total amount of LCP-I payments received by Mary Smith is reduced from her total projected LAP payments.</p> <p>In this example, Gove County should change the LCP-I reduction amount on Mary Smith's LAP application in Gove County to \$1,588.50, and Logan County should enter a total LCP-I reduction amount of \$625.50 on Mary Smith's LAP application in Logan County.</p>

3 Example (Continued)

A Example of LAP Payment Reduction Exception Report (Continued)

Applicant	Situation	Action
Mike Jones	<p>Mike Jones received \$6,237 for LCP-I from Gove County, Kansas.</p> <p>Mike Jones filed a 2002 LAP application in Gove County, Kansas with a projected eligible payment amount of \$1,507.09. Mike Jones also filed a 2002 LAP application in Lincoln County, Kansas with a projected eligible payment amount of \$5,642.12.</p> <p>Mike Jones' LAP application amount in Gove County was reduced by \$6,237 (amount received for LCP-I in Gove County). Mike Jones' LAP application amount in Lincoln County was not reduced for any LCP payment.</p> <p>The LCP-I reduction amount in Gove County (\$6,237) exceeded the projected LAP payment amount in Gove County (\$1,507.09) by \$4,729.10 (6,237.00 - 1,507.09).</p> <p>Therefore, Mike Jones' projected LAP payment amount in Lincoln County must be reduced by \$4,729.10 to ensure that the full LCP-I payment received by Mike Jones is reduced from all eligible LAP payment amounts.</p>	<p>Gove and Lincoln County Kansas Offices shall coordinate to ensure that the total amount of LCP-I payments received by Mike Jones is reduced from his total projected LAP payments.</p> <p>In this example, Gove County should change the LCP-I reduction amount on Mike Jones' LAP application in Gove County to \$1,507.09, and Lincoln County should enter a total LCP-I reduction amount of \$4,729.10 on Mike Jones' LAP application in Lincoln County.</p>

4 Action

A State Office Action

State Offices shall:

- distribute the LAP payment reduction exception report to the applicable County Offices
- ensure that applicable County Offices take all necessary action to ensure that each LAP applicant's projected payment amounts are reduced by the full CFP, LCP-I, and LCP-II amounts received by the applicant
- assist in coordinating LAP payment reductions for applicants with LAP applications filed in County Offices located across State lines.

B County Office Action

County Offices shall:

- ensure that each LAP applicant's projected payment amounts are reduced by the full CFP, LCP-I, and LCP-II reduction amounts received by the applicant
- coordinate with other County Office(s), and State Office when applicable, to ensure that the correct amount of CFP, LCP-I, and LCP-II reductions are taken from the applicant's LAP applications.

LAP Payment Reduction Exception Report

11/05/03

USDA/FSA
 2001/2002 LIVESTOCK ASSISTANCE PROGRAM
 PAYMENT REDUCTION EXCEPTION REPORT
 STATE: 20-KS COUNTY: 063

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PRODUCER ID	PRODUCER NAME	JOINT OP ID	ST/CTY	ELIGIBLE LAP AMT	CFP AMOUNT	LCP AMOUNT	LCP2 AMOUNT
999999999S	JOHN R DOE						
999999999S		PRIOR PMTS RECEIVED	20/063	.00	.00	2,952.00	.00
		PRIOR PMTS RECEIVED		.00	.00	2,952.00	.00
999999999S	JOHN R DOE						
999999999S	JOHN R DOE	2002 LAP DEDUCTIONS	20/063	2,210.90	.00	2,952.00	.00
999999999S		2002 LAP DEDUCTIONS	20/179	866.45	.00	.00	.00
999999999S		2002 LAP DEDUCTIONS		3,077.35	.00	2,952.00	.00
888888888S	MARY SMITH						
888888888S	MARY SMITH	PRIOR PMTS RECEIVED	20/063	.00	.00	1,764.00	.00
888888888S		PRIOR PMTS RECEIVED	20/109	.00	.00	450.00	.00
888888888S		PRIOR PMTS RECEIVED		.00	.00	2,214.00	.00
888888888S	MARY SMITH						
888888888S	MARY SMITH	2002 LAP DEDUCTIONS	20/063	1,588.50	.00	1,764.00	.00
888888888S		2002 LAP DEDUCTIONS	20/109	670.48	.00	450.00	.00
888888888S		2002 LAP DEDUCTIONS		2,258.98	.00	2,214.00	.00
666666666S	MIKE JONES						
666666666S		PRIOR PMTS RECEIVED	20/063	.00	.00	6,237.00	.00
		PRIOR PMTS RECEIVED		.00	.00	6,237.00	.00
666666666S	MIKE JONES						
666666666S	MIKE JONES	2002 LAP DEDUCTIONS	20/063	1,507.90	.00	6,237.00	.00
666666666S		2002 LAP DEDUCTIONS	20/105	5,642.12	.00	.00	.00
666666666S		2002 LAP DEDUCTIONS		7,149.21	.00	6,237.00	.00